



## State of New Jersey

### DEPARTMENT OF HUMAN SERVICES DIVISION OF MENTAL HEALTH SERVICES

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JON S. CORZINE  
*Governor*

KEVIN M. RYAN  
*Acting Commissioner*

KEVIN MARTONE  
*Assistant Commissioner*

February 10, 2006

Dear Mental Health Community:

Hello, everyone! This is the first of what will be a quarterly communication to New Jersey's mental health community, posted on [www.state.nj.us/humanservices/dmhs](http://www.state.nj.us/humanservices/dmhs). Having worked in the community and now in state government, I believe more than ever that we need to communicate effectively in order to operate *as one* mental health system. As the newly appointed Assistant Commissioner for the New Jersey Division of Mental Health Services, I want to use this e-newsletter as a means to convey many of the exciting activities occurring at the Division. To further develop our dialogue, the Division will also establish mechanisms that assure the mental health community opportunities to provide recommendations and guidance. Through effective communication, we as a mental health system will be more capable of fully understanding the issues and achieving our desired goals.

The staff at the Division shares in the enthusiasm that was generated by former Governor Codey and the Task Force on Mental Health, and welcomes the opportunity of ensuring that the recommendations are implemented. The report prepared by the Task Force sets forth an ambitious, but attainable agenda for our transformation to a wellness and recovery-oriented system. Within this fiscal year alone, the Division received \$26 million of desperately needed new funding, the largest expansion in any single year that the New Jersey mental health community has experienced. Needless to say, a great deal of planning had to occur, even across state departments, to operationalize the recommendations, and the new programs are now reaching consumers. I am pleased to say that all of this funding will be used for community services; none has been used to expand state infrastructure.

By no means exhaustive, I want to highlight five significant accomplishments that continue the momentum created by the Task Force and indicate the positive direction we are heading:

1. *Wellness and Recovery*: On February 10, 2006, the Division followed former Governor Codey's Wellness and Recovery Executive Order #78 with a Wellness and Recovery Transformation Statement, now posted on our web-site. This statement establishes our goal of achieving a wellness and recovery-oriented system and sets in motion our efforts to begin the process of transforming our mental health system.
2. *Office of Housing and Community Development*: Safe, affordable, permanent housing is a necessary component of a person's recovery from mental illness. As a result, the Division has created an *Office of Housing and Community Development*, led by Assistant Director Patti Holland, in order to support the *Home to Recovery* housing initiative. As you may know, this initiative, supported largely by the *Special Needs Housing Trust Fund*, calls for the creation of 10,000 affordable, permanent housing opportunities for people with mental illness and other disabilities in the next 10 years.
3. *Working Capital/Operational Incentives*: Through the significant efforts of our advocacy organizations, the Division of Mental Health Services and the Department of Human Services staff, the Task Force on Mental Health and former Governor Codey, working capital for our contracted community agencies is now a reality. This accomplishment will help our provider community become healthier, viable organizations.
4. *Partial Care Forums*: With the partial care regulations sun setting, I requested that we seek input from the mental health community to guide the future of Partial Care. Three open public forums were held in December and the Division is now working with Medicaid to revise the regulations before submitting them for public comment. In addition to the forums, Division staff has engaged constituent and advocacy groups for additional feedback. Considering the tight time frames for publication, the regulations, though not conclusive, will be a positive first step in providing more appropriate and better quality services in the community. The regulations strongly incorporate wellness and recovery principles, and will be published in the May 15, 2006 New Jersey Register for public comment.
5. *Cultural Competence Forum*: In December, the Division also held its first open public forum on the future of cultural competency in our mental health system. Providers from across the state convened to make recommendations to improve the cultural competence within the system, as well as to provide guidance as to how the Division should allocate funding in this year's budget specifically to expand bi-lingual and culturally competent services.

Despite our assertive efforts to transform our mental health system, we have many challenges ahead of us. As you know, the Medicare Part D program began on January 1, 2006 and is off to a “rocky” start. The Division is working closely with our New Jersey Medicaid office to address these issues with the Centers for Medicare and Medicaid Services. Our State hospitals continue to experience overcrowding, and the State of New Jersey is facing a significant budget deficit in FY '07. We need to fully understand the impact of these issues on our mental health community through open and honest dialogue, and craft our next steps, as one community, in the best interest of New Jersey's most vulnerable citizenry.

In closing, please know that I am honored to be entrusted with this responsibility and commit to working, with you, toward making this system the best that it can be. Please take pride in the accomplishments along the way, but remain continually challenged to think creatively, make tough decisions, and seize opportunities to accomplish this goal. The commitment of consumers, family members, providers and state employees will ensure that we maintain the momentum no matter what obstacles we face. Many years from now, we should all be able to look back to this period of transformation as the time when New Jersey became a leader in providing a wellness and recovery-oriented system of care.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'K Martone', with a stylized, cursive script.

Kevin Martone  
Assistant Commissioner

**State of New Jersey  
Executive Order #78**

**Acting Governor Richard J. Codey**

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WHEREAS, it has been the priority of my Administration to restore the traditional role of government by helping those citizens who need it the most; and

WHEREAS, throughout my years of public service and my tenure as Governor, I have strived to better the lives of those persons with mental illness and to improve New Jersey's mental health system; and

WHEREAS, consumers, family members, mental health providers and public health practitioners endorse a recovery-oriented mental health system which enables persons suffering from mental illness to live, work, learn and participate fully in their communities; and

WHEREAS, the recovery process enables a person to re-establish a sense of integrity and purpose and to live a satisfying, hopeful and contributory life, within the limitations of the illness; and

WHEREAS, the wellness process is a conscious, deliberate and ongoing process in which a person becomes aware of and makes choices towards a more satisfying lifestyle; and

WHEREAS, the public mental health system must continue to move from an institutional system of care to a community system of care based upon the principles of wellness and recovery;

NOW, THEREFORE, I, RICHARD J. CODEY, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. The financing of the State of New Jersey's mental health system should be changed to promote state-of-the-art treatment alternatives. These alternatives would include, but not be limited to, permanent supportive housing, supportive employment, in-home services and consumer self-help.
2. The Department of Human Services (the Department) shall commence an immediate review of currently licensed partial-care and partial-hospitalization programs to determine the appropriateness of utilizing and funding, where appropriate, recovery-based programming and services. The Department shall also commence an immediate review of its existing regulations dealing with mental health services and programs for adults and children, with an eye towards revising those rules to allow for the shift to a system based on wellness and recovery. This shift should include staff training, mission, vision, treatment and recovery modalities, contracting and funding.
3. The Department shall examine whether the State Medicaid Plan should adopt the Medicaid Rehabilitation Option, which would allow greater flexibility than currently exists to bill for non-facility-based services such as outreach, peer services, family education, supportive housing services, case management and social and recreational activities. This Option would provide more flexibility to meet consumers' needs by allowing services to be community-based rather than clinic-based, and would better maximize federal dollars, resulting in more financial resources.
4. The Department of Labor and the Department of Human Services shall develop a cooperative training series for individuals with mental illness, family members and providers, in order to increase awareness and utilization of the Ticket to Work Program, to ensure that New Jersey is maximizing the benefits of this federal program and resources for individuals with mental illness and other disabilities.
5. New Jersey should continue and expand its emphasis on evidence-based and/or promising practices, such as physical wellness and recovery programs now offered at the University of Medicine and Dentistry's Centers for Excellence.

6. Performance and outcome measures are essential to the evaluation of treatment and value. The Division of Mental Health Services should move away from its current funding paradigm, which is historical in nature, to one that pays for services based upon quality performance and measurable outcomes.
7. This Order shall take effect immediately.

GIVEN, under my hand and seal this 13th day of January, Two Thousand and Six, and of the Independence of the United States, the Two Hundred and Thirtieth.

/s/ Richard J. Codey

Governor